

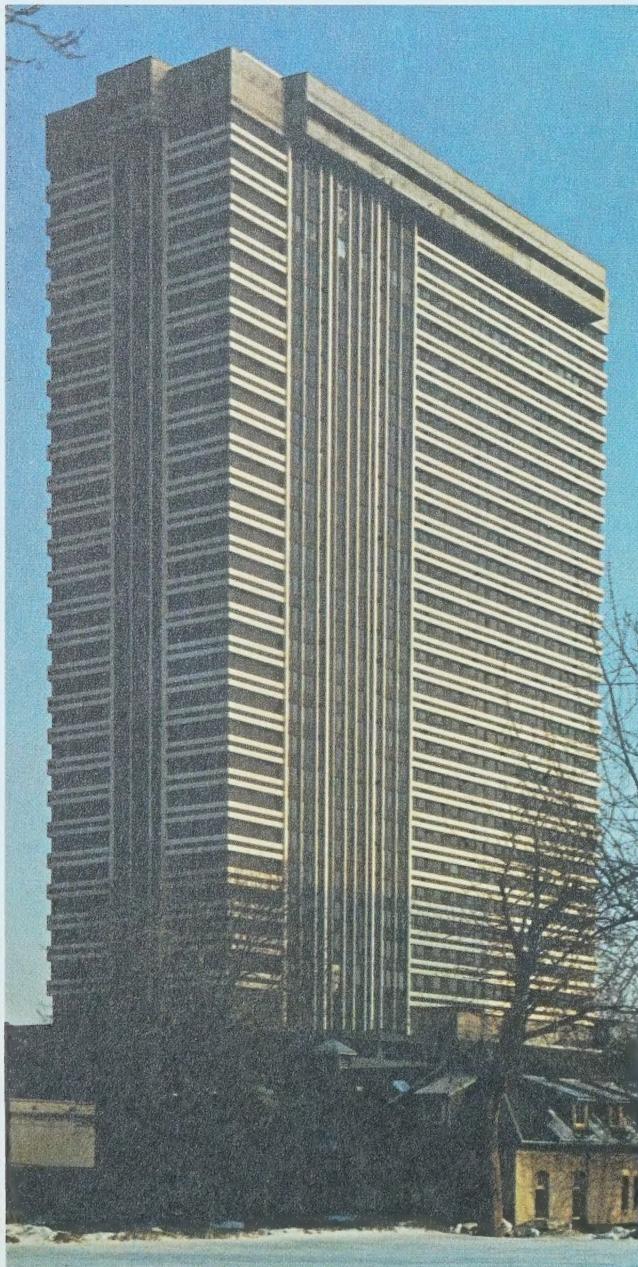
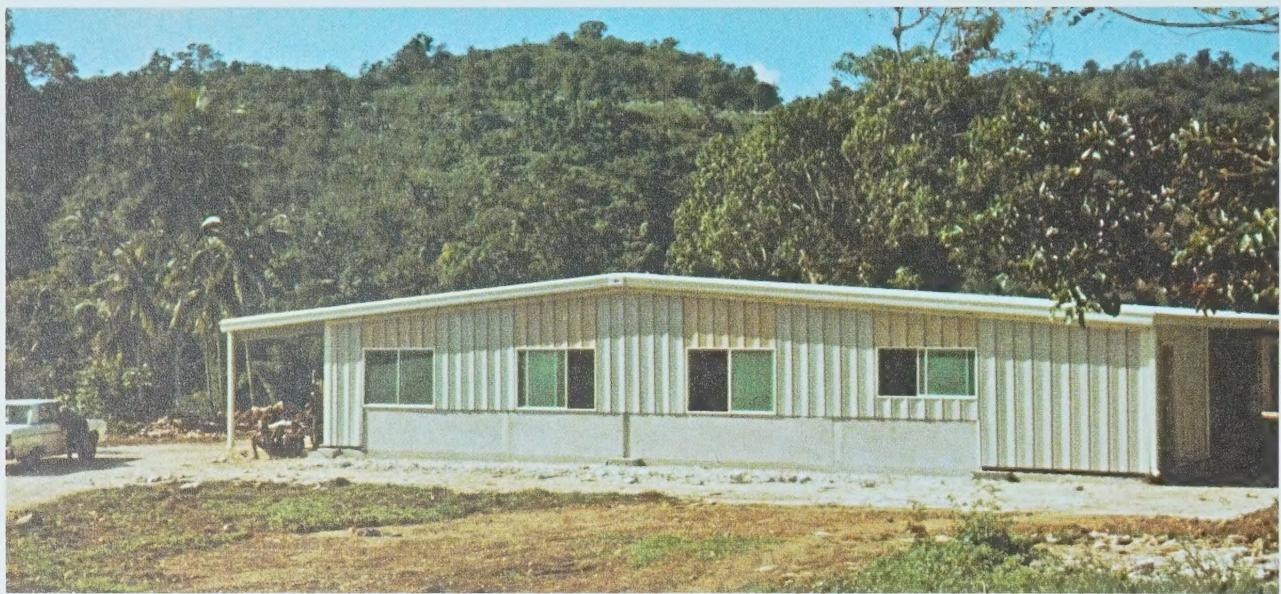
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Shown above is one of 24 one-storey and 24 two-storey schools supplied by Stran-Steel in Jamaica during 1969. These schools were part of a contract arranged through the Canadian Industrial Development Agency in conjunction with the government of Jamaica.

The Stran-Steel design was adapted to accommodate partial walls of cement blocks, thereby fulfilling the requirement for Jamaican content.

Inside, the school is divided by a centre partition with movable partitions providing up to eight classrooms. A kitchen and cafeteria-type lunchroom are included.

In addition to the 48 schools in Jamaica, 20 schools were supplied to various islands throughout the Caribbean in 1969.

Stran-Steel (Canada) Limited, Richmond Hill, Ontario is a wholly-owned subsidiary of Westeel-Rosco Limited.

The 26-storey Alexis Nihon Plaza Apartment Tower (shown left) is a dramatic addition to the Montreal skyline. All non-glassed areas of the exterior walls are clad with porcelain enamelled steel panels supplied by P. Graham Bell Associates, Limited, Georgetown, Ontario.

Preformed spandrel panels and vertical fins are in lustrous off-white, and flat panels and flat spandrel panels are in a rich brown. All of these porcelain enamelled metal panels are in a semi-gloss ripple finish which will not peel or fade and require a minimum of maintenance.

P. Graham Bell Associates Limited is a wholly-owned subsidiary of Westeel-Rosco Limited.

**WESTEEL-ROSCO LIMITED**

**BOARD OF DIRECTORS**

P. F. Fowle	Toronto
Chairman of the Board, Westeel-Rosco Limited	
N. J. Alexander	Winnipeg
Managing Partner, Richardson Securities of Canada	
E. C. Bovey	Toronto
President and Chief Executive Officer, Northern and Central Gas Corporation Limited; President and Director, Le Gaz Provincial du Nord de Quebec Ltee.	
M. A. Buell	Toronto
R. M. Calhoun	Toronto
President, Westeel-Rosco Limited	
P. H. Fox	Park Ridge, Ill.
Vice-President, Reynolds Metals Company President, Reynolds Aluminum Supply Company	
W. S. Martin, Q.C.	Winnipeg
Partner, Aikins, MacAulay & Company	
A. Piché	Cap-de-la-Madeleine
Executive Vice-President and Managing Director, Reynolds Aluminum Company of Canada Ltd.	
J. L. Reynolds	Richmond, Va.
Chairman and Chief Executive Officer, Reynolds International Inc.	
A. Robertson	Winnipeg
President and General Manager, The Winnipeg Supply & Fuel Co. Ltd.	

## **WESTEEL-ROSCO LIMITED**

### **OFFICERS**

Chairman of the Board	P. F. Fowle
President	R. M. Calhoun
Vice-President	P. F. Davidson
Vice-President	W. D. Dertell
Vice-President	H. Dutton
Vice-President	A. H. Mack
Vice-President, Manufacturing	W. E. Thompson
Controller	D. J. Cobban
Secretary-Treasurer	L. J. Rentner

### **SUBSIDIARIES**

Canada Culvert Co. Limited  
Columbia Metal Rolling Mills Limited  
P. Graham Bell Associates Limited  
Westeel-Rosco Erectors Limited  
Prairie Metal Products Limited  
Northland Machinery Supply Co. Limited  
National Aluminum Products Co. Limited  
Stran-Steel (Canada) Limited

### **TRANSFER AGENTS AND REGISTRAR**

National Trust Company Limited  
Montreal, Toronto, Winnipeg, Regina,  
Calgary, Vancouver

### **BANKERS**

The Toronto-Dominion Bank

### **AUDITORS**

Clarkson, Gordon & Co.

### **COUNSEL**

Blake, Cassels & Graydon

**WESTEEL-ROSCO LIMITED****FINANCIAL HIGHLIGHTS OF THE YEAR 1969**

	1969	1968
SALES .....	\$72,469,000	\$68,989,000
EARNINGS .....	970,000	310,000
per share .....	2.00	.64
DIVIDENDS paid to shareholders .....	290,000	290,000
per share .....	.60	.60
SHAREHOLDERS' INVESTMENT at year end .....	14,180,000	13,500,000
per share .....	29.28	27.88
CAPITAL EXPENDITURES .....	1,330,000	2,028,000
DEPRECIATION .....	892,000	943,000
WORKING CAPITAL .....	10,720,000	10,132,000

## DIRECTORS' REPORT TO THE SHAREHOLDERS

The audited consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 1969 are submitted herewith.

Sales for 1969 were \$72,469,000 and net profit after allowance for income taxes was \$970,000 compared to 1968 results of \$68,989,000 and \$310,000. Earnings per share were \$2.00 for 1969 and \$.64 for 1968. Extraordinary gains included in the earnings per share are \$.43 in 1969 and \$.09 for 1968.

The improvement in profit reflects the increased volume of business attained in 1969. Efficiencies arising from the changes made in the Company's method of operation resulted in a gain in the rate of profit. During 1969 each of the quarters recorded improvement over the corresponding periods of 1968, in spite of considerable strain imposed by several lengthy industry work stoppages.

The program to profitably increase sales of the Company's products by a more intensive coverage of the Canadian and export markets was furthered and the results have been encouraging. Sales outside Canada amounted to approximately \$1,900,000, a major gain over any previous year. To further promote these efforts in the United States, a sales office and warehouse was opened in Fargo, North Dakota in late 1969. Stran-Steel Division recorded considerable success in the Caribbean area in the sale of pre-engineered buildings.

### SALES

The overall sales of the Company increased by 5% over 1968.

#### Building Products

Sales of this group, which includes such items as roof and floor deck, wall cladding, office and toilet partitions, lockers, doors and frames, were slightly down from 1968 due, in large part, to construction industry difficulties in the larger trading areas. A rapid recovery was recorded in the latter months of 1969 and this buoyancy will carry forward at least for the first half of 1970.

As mentioned in the 1968 Annual Report, the Company is the prime contractor for all interior partitions for Phase I of the Study of Educational Facilities (S.E.F.) program in Metropolitan Toronto. The S.E.F. program, a systems approach to school construction, covers a considerable percentage of the new school requirements in the Metropolitan Toronto area for the years 1969 to 1971. This project is proceeding favorably.

#### Farm Products

Storage demands in Western Canada and the Western United States, and the increasing participation by the Company in farm storage systems

resulted in sales gains over 1968. Additional marketing and technical effort is being devoted to this important product group.

**Highway and  
Drainage  
Products**

Sales increased over 1968 although the level of prices remained under pressure. An automatic high-speed spiral pipe machine for the manufacture of culverts, the Company's third, was installed in Saskatoon during the year.

**Warehouse  
Products**

Sales of this group of products recorded an increase over 1968. More selective selling was instrumental in improving the rate of profit.

**Residential  
Products**

Sales maintained their level of 1968. Increased marketing emphasis is being directed to this group of products, which includes eavestrough and conductor pipe, and improvements are anticipated.

**Cubic Storage  
Systems**

In the second year of operation, this Division, which markets material storage products such as pallet racking, achieved its sales target and is now firmly established in the market. Further gains are expected as the sales coverage is intensified.

**Stran-Steel**

An extension to Stran's plant enabled this Division to take better advantage of the increasing market for pre-engineered buildings. Additional dealers were appointed and Stran now has outlets in most areas of the country. An increase in sales is foreseen.

**Northland  
Machinery**

Northland was hampered in 1969 by a series of lengthy disruptions caused by shut-downs in the Thunder Bay area. There was also a substantial lessening of business from the terminal elevator companies as the tonnage of grain handled through Thunder Bay declined from 1968. Efforts have been directed to improving Northland's operations in the grain handling, construction and mill supply fields, and more satisfactory results are expected.

**P. Graham Bell  
Associates**

This Company, which manufactures and sells architectural porcelain enamel products and chalkboards, recorded a very satisfactory year. New markets were successfully opened in 1969 and the outlook for 1970 is favorable.

**FINANCIAL**

As mentioned previously, the Company recorded quarter-to-quarter gains over 1968. A comparison between 1969 and 1968 shows this improving trend.

Earnings per Share by Quarters	1	2	3	4	Total
<b>1968</b>					
Income (loss) before extraordinary items	(\$.86)	(\$.04)	\$1.38	\$ .07	\$ .55
Extraordinary items	—	—	—	.09	.09
Net income (loss)	(\$.86)	(\$.04)	\$1.38	\$ .16	\$ .64
<b>1969</b>					
Income (loss) before extraordinary items	(\$.83)	\$.41	\$1.55	\$ .44	\$1.57
Extraordinary items	.18	—	.12	.13	.43
Net income (loss)	(\$.65)	\$.41	\$1.67	\$ .57	\$2.00

The Company continued its policy of absorbing on a current basis all the costs associated with the closing of plants and the relocation of facilities. While the full costs of these changes are not completely definable, certain identified expenses have been set out, on an after-tax basis, in the Statement of Income, and amount to \$.43 per share. A profit of \$419,000 was recorded on the plants and equipment sold during 1969.

#### Capital Expenditures

Capital expenditures during 1969 totalled \$1,330,000. Major items included the construction of additional factory space at the Ash Street plant in Vancouver and the Stran-Steel plant at Richmond Hill, Ontario, and sales office and warehouse facilities in Calgary and Saskatoon.

Major equipment purchases during the year included the automatic spiral pipe machine noted previously, equipment for the S.E.F. program, forming mill for Cubic Storage Systems, updating of production facilities for residential products and farm storage tanks.

During 1969 the Company disposed of its manufacturing facilities in Calgary, Regina, the Main Street plant in Vancouver and the Richelieu Street plant in Montreal. The Saskatoon manufacturing plant was sold in early 1970.

These plant disposals were made possible by the building programs undertaken over the last two years. The facilities in Toronto, Winnipeg and Edmonton were modernized and enlarged to permit the economic handling of the production requirements for these other plants.

#### Working Capital

As a result of the 1969 operations, consolidated working capital increased to \$10,720,000 from \$10,132,000 in 1968 and the resultant ratio of current assets to current liabilities increased to 1.48 from 1.46.

## Dividends

The regular quarterly dividend of 15¢ per share was continued during the year.

## PERSONNEL

Mr. M. A. Buell, the Company's Executive Vice-President, retired during 1969 after many years of service. His contribution to the marketing direction of the Company was outstanding, as evidenced by the continuing sales growth and the programs now under way. The Company continues to have the benefit of Mr. Buell's experience as a member of the Board of Directors.

Mr. F. L. Glasgow, who had been a director of the Company for fourteen years, passed away in January, 1970. His wise counsel will be sorely missed.

Mr. André Piché was elected to the Board in February, 1970. Several key personnel were given new responsibilities late in 1969:

Vice-President, Marketing, General Products — Mr. H. Dutton  
Vice-President, Marketing, Building Products — Mr. A. H. Mack  
Vice-President, Eastern Region — Mr. P. F. Davidson  
Pacific Region Manager — Mr. R. J. Durrant.

## OUTLOOK

The outlook for 1970 is for continued growth in those markets served by the Company, although construction activities during the latter half of the year may be less buoyant than the first six months. The monetary and fiscal policies adopted by the various levels of government will, it is expected, combine to lessen the overall rate of gain attained by the Canadian economy in previous years.

The Company begins the new year with a larger backlog of orders than at the outset of 1969. With the major program of plant changes now virtually completed, the discontinuance of products producing minimal profits and the strengthening of the organization structure, further gains are anticipated in 1970.

The Directors wish to record their appreciation for the loyal support and contribution of all employees of the Company and its subsidiaries in the implementation of the various changes undertaken during the year.

Submitted on behalf of the Board.

P. F. FOWLE,  
Chairman of the Board  
R. M. CALHOUN,  
President

Toronto, March 17, 1970.

**WESTEEL - ROSCO LIMITED**

(Incorporated under the laws of Canada)

## Consolidated Balance Sheet

December 31, 1969

(with comparative figures at December 31, 1968)

**ASSETS**

	1969	1968
<b>Current:</b>		
Accounts receivable less allowance for doubtful accounts . . . . .	\$20,041,000	\$17,733,000
Inventories — valued at the lower of cost or market . . . . .	12,815,000	14,464,000
Prepaid expenses . . . . .	275,000	137,000
Total current assets . . . . .	<u>33,131,000</u>	<u>32,334,000</u>
<b>Other:</b>		
Mortgages receivable . . . . .	972,000	494,000
Special refundable tax . . . . .		69,000
Total other assets . . . . .	<u>972,000</u>	<u>563,000</u>
<b>Fixed — at cost:</b>		
Land . . . . .	915,000	1,126,000
Buildings . . . . .	7,957,000	9,394,000
Machinery and equipment . . . . .	10,123,000	10,429,000
	<u>18,995,000</u>	<u>20,949,000</u>
Less accumulated depreciation . . . . .	<u>11,243,000</u>	<u>12,406,000</u>
Total fixed assets . . . . .	<u>7,752,000</u>	<u>8,543,000</u>
Total assets . . . . .	<u><u>\$41,855,000</u></u>	<u><u>\$41,440,000</u></u>

## LIABILITIES AND SHAREHOLDERS' EQUITY

	1969	1968
<b>Current:</b>		
Bank borrowings (note 1) .....	\$13,550,000	\$15,289,000
Accounts payable and accrued charges .....	6,427,000	4,534,000
Income and other taxes payable .....	345,000	647,000
Deferred income taxes — current portion .....	1,873,000	1,516,000
Current instalments on long-term debt, and accrued interest .....	216,000	216,000
<b>Total current liabilities</b> .....	<b>22,411,000</b>	<b>22,202,000</b>
Long-term debt (net of current instalments) (note 2) .....	4,894,000	5,103,000
Deferred income taxes — non current portion .....	370,000	635,000
<b>Shareholders' equity:</b>		
<b>Capital (note 3)</b>		
Authorized: 2,000,000 common shares without par value		
Issued: 484,204 common shares .....	1,569,000	1,569,000
Contributed surplus .....	500,000	500,000
Retained earnings (note 4) .....	12,111,000	11,431,000
<b>Total shareholders' equity</b> .....	<b>14,180,000</b>	<b>13,500,000</b>
<b>Total liabilities and shareholders' equity</b> .....	<b>\$41,855,000</b>	<b>\$41,440,000</b>

On behalf of the Board: P. F. FOWLE, Director  
R. M. CALHOUN, Director

For notes to the Consolidated Statements see page 11

**WESTEEL-ROSCO LIMITED**

## Consolidated Statement of Income

Year ended December 31, 1969

(with comparative figures for the year 1968)

	1969	1968
Sales	<u>\$72,469,000</u>	<u>\$68,989,000</u>
Cost of sales, selling, administrative and financial expenses before the following —	69,492,000	66,889,000
Depreciation	892,000	943,000
Remuneration of directors (including the compensation of those holding executive office) .....	92,000	125,000
Interest on long-term debt	372,000	393,000
Income taxes	860,000	372,000
	<u>71,708,000</u>	<u>68,722,000</u>
Net operating profit	<u>761,000</u>	<u>267,000</u>
Extraordinary items (net of the related income taxes):		
Profit on sale of fixed assets	419,000	43,000
Plant moving and rearrangement expenses	(210,000)	
	<u>209,000</u>	<u>43,000</u>
Net income for the year	<u>\$ 970,000</u>	<u>\$ 310,000</u>

## Consolidated Statement of Retained Earnings

Year ended December 31, 1969

(with comparative figures for the year 1968)

	1969	1968
Balance, beginning of year	\$11,431,000	\$11,411,000
Net income for the year	970,000	310,000
	<u>12,401,000</u>	<u>11,721,000</u>
Dividends paid during the year	290,000	290,000
Balance, end of year	<u>\$12,111,000</u>	<u>\$11,431,000</u>

**WESTEEL-ROSCO LIMITED**

## Consolidated Statement of Source and Application of Funds

Year ended December 31, 1969

(with comparative figures for the year 1968)

SOURCE OF FUNDS:	1969	1968
Net income for the year .....	\$ 970,000	\$ 310,000
Add (deduct):		
Depreciation .....	892,000	943,000
Deferred income taxes .....	(265,000)	(21,000)
Funds from operations .....	1,597,000	1,232,000
Net book value of fixed asset disposals .....	1,229,000	74,000
Decrease in special refundable tax .....	69,000	
	2,895,000	1,306,000
APPLICATION OF FUNDS:		
Purchase of fixed assets .....	1,330,000	2,028,000
Increase in mortgages receivable .....	478,000	27,000
Dividends paid .....	290,000	290,000
Reduction in long-term debt .....	209,000	209,000
	2,307,000	2,554,000
Increase (decrease) in consolidated working capital .....	\$ 588,000	\$ (1,248,000)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 1. Security for bank borrowings

Accounts receivable and inventories are pledged as security against bank borrowings.

## 2. Schedule of long-term debt

1969                          1968

Debenture, payable in equal annual instalments of principal to 1975 with interest at 7.25% (secured by fixed assets) .....	\$ 833,000	\$ 1,000,000
7.25% bank term loan, payable in 1972 (secured by accounts receivable and inventories) .....	4,000,000	4,000,000
Loan, Industrial Development Bank (secured by fixed assets) .....	61,000	103,000
Total long-term debt (net of current instalments) .....	\$4,894,000	\$5,103,000

## 3. Share options outstanding

At December 31, 1969, 400 common shares were reserved for issuance under an option granted to an employee in 1962 at a price of \$10.25 per share; the option is exercisable on a cumulative basis to 1970 and expires in 1972.

## 4. Dividend restrictions

Under an agreement with the holder of the 7.25% debenture, cash dividends are restricted to the sum of (a) 70% of the amount by which consolidated earnings from January 1, 1967 exceed repayments on such debentures plus (b) \$1,000,000. At December 31, 1969 \$1,200,000 of retained earnings was not so restricted.

*Clarkson, Gordon & Co.*  
*Chartered Accountants*

*AUDITORS REPORT*

To the Shareholders of  
Westeel-Rosco Limited:

We have examined the consolidated balance sheet of Westeel-Rosco Limited as at December 31, 1969 and the consolidated statements of income, retained earnings, and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the companies as at December 31, 1969 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Clarkson, Gordon & Co.*

Toronto, Canada,  
March 13, 1970.

Chartered Accountants

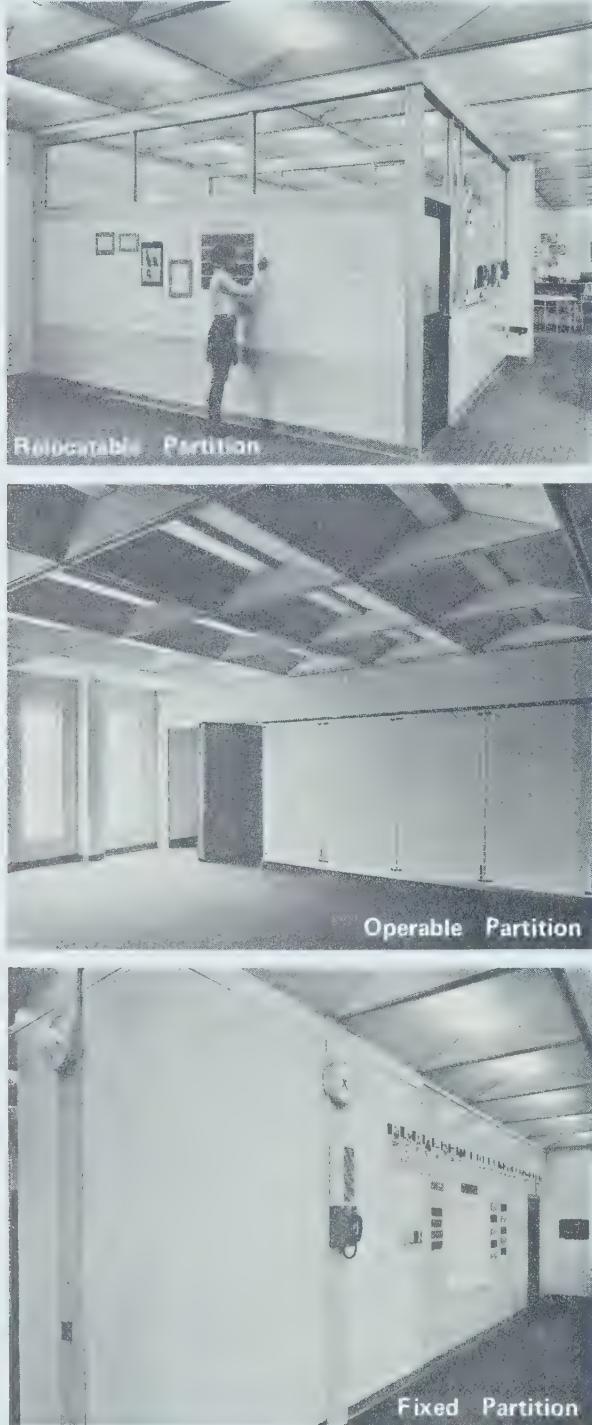
**WESTEEL-ROSSCO LIMITED**

**TEN YEAR COMPARISON**

(IN THOUSANDS OF DOLLARS)

	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960
Sales	\$ 72,469	68,989	60,256	66,866	59,180	26,473	25,760	26,459	22,768	25,976
Operating profit	\$ 1,621	639	1,449	3,028	1,957	525	(150)	533	83	810
% operating profit to sales	2.24%	.93%	2.40%	4.53%	3.31%	1.98%	(.58%)	2.01%	.36%	3.12%
Income taxes	\$ 860	372	747	1,529	917	135	—	230	70	390
Net income	\$ 970	310	751	1,505	1,202	242	(178)	303	13	420
Common shares outstanding	484,204	484,204	484,204	482,204	480,404	476,504	472,604	472,604	472,604	472,604
Earnings per common share	\$ 2.00	.64	1.55	3.12	2.50	.51	(.38)	.64	.03	.89
Dividends per common share	\$ .60	.60	.60	.60	.15	.15	.15	.15	.35	.70
Working capital	\$ 10,720	10,132	11,380	7,182	7,103	5,405	6,489	8,168	7,708	7,858
Working capital ratio	1.48	1.46	1.79	1.36	1.39	1.33	2.33	3.50	5.11	4.07
Capital expenditures	\$ 1,330	2,028	652	1,124	761	333	1,678	510	325	1,232
Depreciation	\$ 892	943	789	799	796	545	575	498	526	481
Gross assets	\$ 41,855	41,440	33,803	35,618	33,206	29,679	17,219	16,046	14,626	15,663
Book value per common share	\$ 29.28	27.88	27.84	26.96	24.49	22.23	21.97	22.50	22.00	22.33
Earnings as percentage of capital employed — Jan. 1	7.19%	2.30%	5.78%	12.79%	11.34%	2.33%	(1.7%)	2.92%	.01%	4.01%

Westeel-Rosco Limited is the successful tenderer for Sub-System No. 4 — Interior Space Division — for the first SEF Program (Study of Educational Facilities — The Metropolitan Toronto School Board) which comprises 32 educational buildings.



The Sub-System, as used by SEF, comprises an integrated Interior Space Division System, consisting of Relocatable, Operable and Fixed Partitions. All components have been carefully interfaced with each other and with the other Sub-Systems forming part of the SEF project.

## PARTITION TYPES

### Relocatable Partitions

This partition system offers complete design flexibility of initial arrangement, while permitting re-arrangement of units as future conditions warrant. While initial cost is moderately higher than traditional fixed partitions, the amortized cost is less, when maintenance and re-arrangement is considered.

### Operable Partitions

The main function of the operable partition system is to permit the teaching staff to arrange at will, large or small instruction groups, on a day-to-day basis. Three different types are offered: an accordion operable partition, a panel operable partition, and a panel operable gymnasium partition.

### Fixed Partitions

A system of masonry partitions is offered in a variety of thicknesses available for fixed-use areas such as gymnasiums, stairwells, boiler rooms, mechanical rooms, washrooms, machine shops, etc. Masonry was chosen due to its resistance to high impact loads, potential surface damage and surface applied loads that these walls are usually called upon to carry.

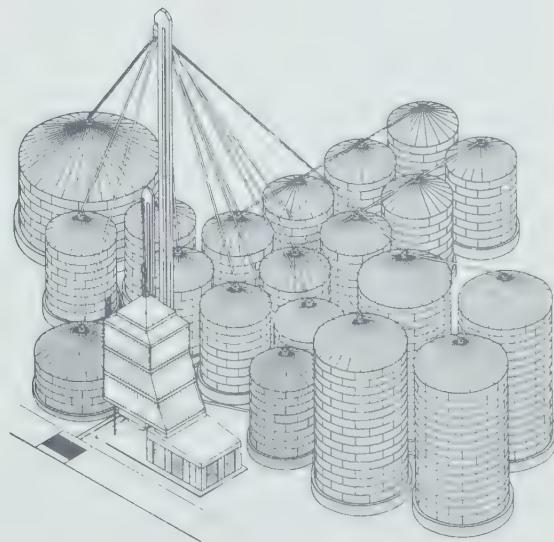
Westeel-Rosco Limited, through its Flexcon Division, is vitally interested in the greater use of educational building systems. The Company is participating in the application of the systems approach to building in other areas of Canada.



The Westeel-Rosco Limited handling, storage and conditioning system enables adherence to a basic plan which provides for orderly growth to handle any harvest capacity.

The wide range of capacities and equipment offered by Westeel-Rosco Limited can be blended into the system because all components are matched to provide maximum economy and performance.

The system can be expanded to a capability for processing over 1,000,000 bushels without discarding parts or changing the layout.



## CUBIC STORAGE SYSTEMS

a division of WESTEEL-ROSCO LIMITED



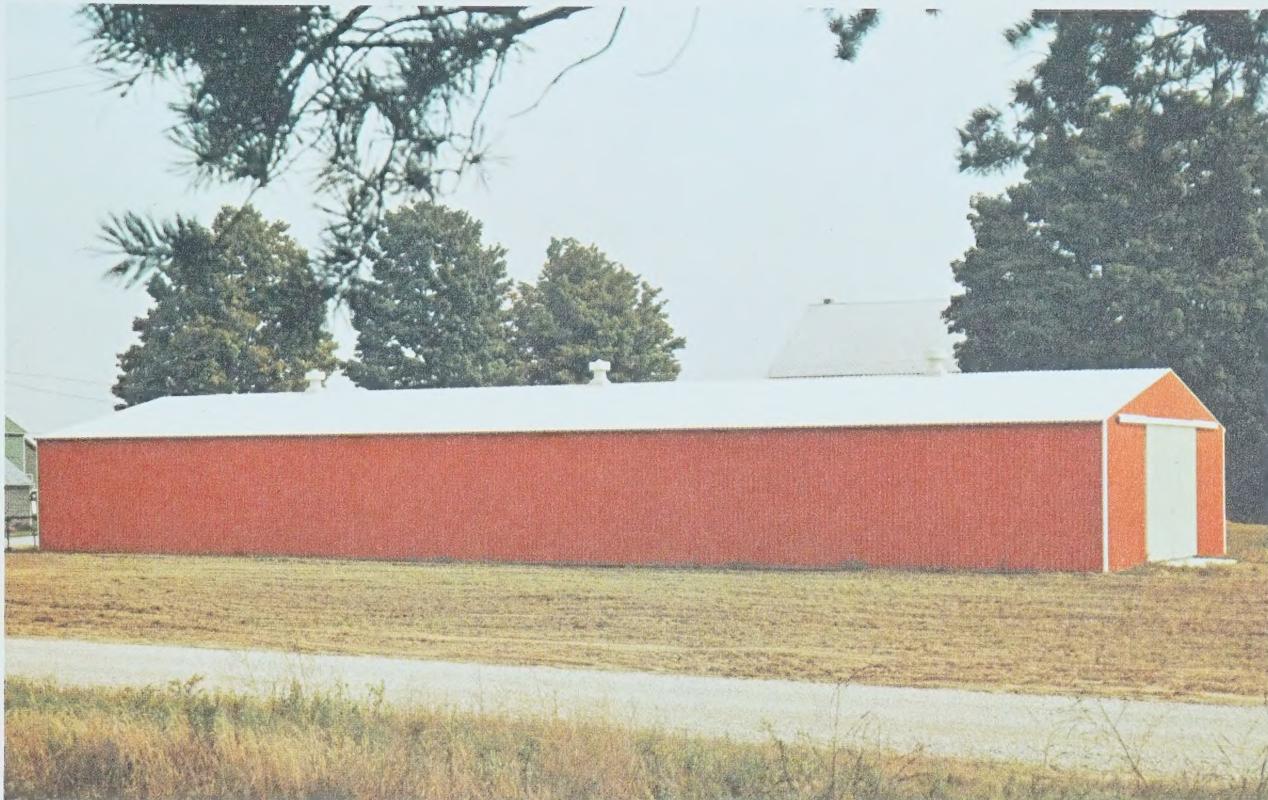
offers a problem-solving service in the re-organization of existing storage space or in planning new warehouse facilities. Specialists in cubic storage are backed up by a full line of storage systems from System 10 Shelving and Binning through System 20 Erecto Slotted Angle to System 50 Cubic Cantilever Racking for heavy-duty, in-line vertical storage.



**System 30 Cubic Pallet Racking.** The exclusive modern design of post, beam and bracket combine to provide maximum strength and greater rigidity. Erects easily, without tools and is fully adjustable.



**System 40 Cubic Drive-In Racking.** By drastically reducing or eliminating aisle space, this modern design permits as much as 85% of warehouse floor space to be used for storage. Fork lifts "tunnel" pallets into storage space.



# GP BUILDING

The Westeel-Rosco General Purpose Building is designed to satisfy the demands for a fire-proof, expandable building to meet the requirements of a wide variety of industrial, commercial and agricultural uses.

The G.P. Building, which is 40 feet wide, offers a choice of 10, 12 or 14 foot wall heights and bay depths of 12, 15 or 18 feet, depending on local snow loads. The all-steel design meets National Building Code specifications.

The G.P. Building is available in plain galvanized or any combination of four proven Colorite finishes. The 120-foot long building shown above is used to store tobacco and is Colorite-finished in International Orange and White.

In Ontario, the G.P. Building is sold exclusively through local Franchised Dealers who also install and service the building.

Westeel-Rosco Limited opened a branch office in Fargo, North Dakota during 1969. The Fargo branch facilitates the Company's penetration of the markets in the northern mid-west United States. A handsome Stran building was erected on the site to provide office and warehouse space.





ANNUAL REPORT 1969

July 25, 1969

## INTERIM REPORT TO SHAREHOLDERS

The 1968 Annual report to the shareholders drew attention to three areas: the anticipated profit improvement of the company in 1969, the expected growth in Canadian construction activity, and probable difficulties in labour relations in the building trades. These forecasts became realities and are reflected in the statement for the first half of the year.

The operating results for the six months ended June 30, 1969 indicate considerable improvement over the comparable period of a year ago. This recovery is expected to continue during the remaining months of this year, despite the marked increase in financing costs resulting from higher bank interest rates.

	1969 (\$'000 omitted)		1968	
	Net Profit Sales	Net Profit (Loss)	Net Profit Sales	Net Profit (Loss)
First Quarter	\$12,815	\$ (315)	\$ 9,907	\$ (416)
Second Quarter	17,393	200	16,042	(18)
	\$30,208	\$ (115)	\$25,949	\$ (434)

The gain in operating results is due in part to the improved level of construction activity in certain areas of Canada and to the gradual realization of improved efficiency through consolidation. The outlook for the balance of the year remains encouraging, although the rate of gain is clouded by the announced intention of the Federal Government to slow down the rate of inflation through a discouraging of commercial construction.

Labour conditions in the construction industry have created difficulties in many communities. Toronto, Montreal, Quebec City and the Lakehead have been particularly hard hit, and these are major market areas for the company's products. While labour disruptions occurred sporadically during the first half of this year, it was not until June that more serious delays were experienced. These delays have continued through July and, while the order backlog continues to increase, operating results will be affected until these problems are resolved.

R.M. Calhoun,  
President.

INTERIM REPORT  
TO SHAREHOLDERS

JUNE 30, 1969

Cert. of Report  
John C. Calhoun



**WESTEEL-ROSCO LIMITED**  
**INTERIM REPORT TO SHAREHOLDERS**

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**COMPARATIVE CONSOLIDATED INCOME STATEMENT \***  
**FOR SIX MONTHS ENDED JUNE 30, 1969 AND 1968**

	SIX MONTHS ENDED	
	JUNE 30, 1969	JUNE 30, 1968
Sales.....	\$30,208,000	\$25,949,000
Cost of Sales, Selling, Administrative and Financial Expenses before the following .....	29,904,000	26,176,000
Depreciation .....	537,000	445,000
Interest on Long-term debt .....	191,000	200,000
Provision for taxes on income.....	(220,000)	(438,000)
	\$30,412,000	\$26,383,000
Net Operating Loss .....	(204,000)	(434,000)
Extraordinary Items (net of the related income taxes):		
Profit on Sale of Fixed Assets .....	89,000	-
Net Loss for Six Months .....	\$ (115,000)	\$ (434,000)
Per Share – Six Months Second Quarter .....	(\$.24) \$.41	(\$.90) (\$.04)

*1Q (315,000) (416,000)*

**COMPARATIVE CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS \***  
**FOR SIX MONTHS ENDED JUNE 30, 1969 AND 1968**

	SIX MONTHS ENDED	
	JUNE 30, 1969	JUNE 30, 1968
<b>Source of Funds</b>		
Net Loss.....	\$ (115,000)	\$ (434,000)
Add Charges which did not reduce Working Capital Depreciation .....	537,000	445,000
Funds from Operations .....	\$ 422,000	\$ 11,000
Decrease in Mortgages Receivable .....	13,000	10,000
	\$ 435,000	\$ 21,000
<b>Application of Funds</b>		
Decrease in Long-term debt .....	\$ 167,000	\$ 167,000
Purchase of fixed assets less proceeds on disposal .....	114,000	1,569,000
Dividends paid .....	145,000	145,000
	\$ 426,000	\$ 1,881,000
Increase (Decrease) in Consolidated Working Capital .....	\$ 9,000	\$ (1,860,000)

Toronto July 25, 1969

\*These statements are unaudited.

*1Q*